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USSR-CEMA TRADE

ECONOMIC, TECHNICAL COOPERATION AMONG CEMA MEMBERS EXPANDS

Long-Term Projects

Moscow MEZHDUNARODNAYA ZHIZN' in Russian No 1, Jan 80 pp 8-18

[Article by Doctor of Economics I. Dudinskiy: "Socialist Internationalism in Action"]

[Text] A most important goal of the CPSU's truly internationalist policy is the promotion by every means of the strengthening of the cohesion and growth of the might of the world socialist system—an international alliance of a new type—and the guarantee of favorable conditions for building a new society in the fraternal countries and for their comprehensive progress.

"The chief prerequisite of the efficiency of our class-based internationalist policy," L. I. Brezhnev points out, "remains, of course, the successful development of our socialist community as a whole and of each socialist country.... Concern for the development of friendship and cooperation with the fraternal countries is an organic, constant component of our party's entire activity."

The policy of the comprehensive strengthening of friendly, truly fraternal relations with the socialist countries in all spheres of social life permeates the work of CPSU congresses, is reflected in basic party and state documents, including the USSR Constitution, and determines the political orientation and practical activity of our party, state, economic and public organizations.

"The burgeoning of each socialist community country is inseparably connected with the consolidation of their ideological-political unity, growing community of interests in politics, economics and social life and the development of fruitful, equal cooperation in all spheres. An example of such cooperation is the fraternal countries' interaction within the framework of the Warsaw Pact Organization and CEMA, which are based on Lenin's principles of international solidarity," the CPSU Central Committee Decree "110th Anniversary of Vladimir Il'ich Lenin's Birth" says.

The Soviet Union's place in the system of economic relations of the countries incorporated in CENA is determined by a whole complex of factors.

A most important one is the fact that the USSR is the world's first socialist state, whose very existence and entire activity are geared toward cementing the positions of world socialism. The victory of the Great October Socialist Revolution led to the formation and strengthening of a socialist system of the economy and its corresponding political superstructure—the state of the working class, which rallied all working people of our great multinational country around the tasks of socialist building—in one-sixth of the world.

The successful progress of socialist construction, the creation of the material-technical base of socialism and its victory in the USSR undermined the imperialist powers' domination of the gigantic majority of peoples of the world, intensified interimperialist contradictions and the contradictions between colony and metropolis and thereby shook the supports of imperialism and created the material and spiritual prerequisites for the assertion of socialism in other countries and for the subsequent formation of the world socialist economy. The Soviet Union's victory in the Great Patriotic War, which made a decisive contribution to the salvation of European and world civilization from annihilation by the fascist barbarians, accelerated the buildup of socialist revolutions in a number of European and Asian countries.

An important part is also played by the fact that from the very moment of the emergence of young socialist states the Soviet Union was for them a natural bulwark in their struggle for the consolidation of the new social system and the strengthening of their positions in the international arena. Together with the strong political alliance between the USSR and the people's democracy countries close economic relations, an important feature of which was the Soviet Union's active assistance in the restoration of the economies of the young states, which had embarked on the path of profound social transformations, began to take shape. Trade agreements concluded by the USSR with the people's democracy states in the period 1944-1945 provided for supplies from the USSR of the commodities needed for normalization of their economic life and provision of the population. Soviet commercial credits in the first postwar years were also connected with supplies of commodities sorely needed by these countries. At the same time the Soviet Union, taking account of the young states' difficulties in payments in the capitalist market, granted them a number of credits in convertible currency and gold.

At the end of the 1940's long-term agreements on reciprocal commodity supplies came to replace annual commodity turnover obligations. These agreements came to cover the entire effective period of the long-term national economic plans, to whose compilation all the socialist countries switched. In parallel with the signing of long-term trade agreements with the USSR the fraternal states also concluded reciprocal such agreements. The long-term agreements enabled the socialist countries to determine the volume

and structure of reciprocal commodity turnover for several years shead and to take account of the amounts of imports and exports in the formulation of national economic plans. This strengthened the plan-conformity of their economies.

The USSR's relations with the other socialist countries assumed an even more stable and large-scale nature with the formation of CEMA. The USSR's economic and technical cooperation with the CEMA countries currently extends to practically all spheres of the economy. The leading place therein is occupied by the key sectors of industry performing the determining role in the fraternal countries' industrial development. Of these, we should highlight power engineering (including nuclear), metallurgical, petroleum-processing, petrochemical and chemical industry, the construction industry and machine building. These sectors account for approximately 80 percent of the USSR's total technical assistance to the socialist countries.

In accordance with concluded agreements on economic and technical cooperation, the Soviet Union has rendered and continues to render the CEMA countries assistance in the construction, modernization and expansion of more than 2,600 enterprises, individual shops and other facilities, of which over 1,700 facilities are in the sphere of heavy industry and power engineering.

More than 300 industrial enterprises, individual shops and other national economic facilities were built and modernized in the fraternal countries with the USSR's economic and technical assistance in the last five-year plan alone. Soviet complete-batch equipment was supplied for the construction of over 420 important national economic projects of the CEMA countries in 1978.

The industrial enterprises built in the CEMA countries enable them annually to smelt over 11 million tons of pig iron and 15 million tons of steel, produce more than 20 million tons of rolled metal, refine 32.2 million tons of oil, produce 4 million tons of cement, install approximately 2.9 million square meters of housing from large-panel blocks and so forth. Operating electric power capacity is in excess of 20 million kilowatts. We are continuing to build and design new facilities which will insure a considerable increase in available capacity in many types of production.

The following production capacity will have been introduced in the CEMA countries in the current five-year plan: 8.9 mullion kilowatts in power engineering, including 3.1 million kilowatts in nuclear power engineering, and for the production of 9 million tons of steel, 7.6 million tons of pig iron, 6.2 million tons of rolled metal, 6 million tons of refined oil and 9 million tons of coal.²

The fact that the fraternal countries embarked on industrialization within the framework of the world socialist system, relying primarily on the assistance and support of the USSR, largely facilitated this process and imparted to it a number of essential specific features. Thus in the Soviet Union the rate of growth of Group "A" industry in the First Five-Year Plan

exceeded that in Group "B" by a factor of 1.75. As far as other socialist countries are concerned, the "preferential development factor" of the growth rate of heavy industry compared with light industry even in the most strained periods constituted 1.3 in Bulgaria and Czechoslovakia and 1.2 in Poland, Hungary and Romania. The fraternal countries acquired the opportunity of expending less effort on the development of heavy industry and, within it, of developing extraordinarily quickly such efficient and less capital-intensive sectors as machine building. The socialist countries were not confronted, as the USSR once was, with the task of securing technical-economic independence of capitalism solely with its own resources, which would have been utterly beyond the majority of them. In practice this meant that each fraternal country, expanding and strengthening relations with other states of the socialist community, was able to emphasize during industrialization a limited circle of heavy industry sectors within its capabilities.

The USSR's technical and economic assistance played an important part in the solution of such a historic problem as quickly surmounting the appreciable difference in the economic development levels of the European CEMA countries. They all now have diversified industry, including developed machine building and a chemical industry, and large-scale agricultural production. According to rough estimates, from 1950 through 1977 the gap in production levels per capita among these countries was reduced from a factor of 3.2 to 1.3 in national income and from a factor of 5 to 1.7 in industrial output. A strong economic basis was hereby created for the countries' active mutually beneficial participation in the international socialist division of labor.

A modern industrial base in the Republic of Cuba and in the Mongolian People's Republic is taking shape with the economic and technical assistance of the USSR and other fraternal countries. A number of important economic projects, including ones for which the PRC had unilaterally cut off technical assistance, is being installed in the Socialist Republic of Vietnam.

And, finally, it should be noted that the Soviet Union is the fraternal countries' principal partner in socialist economic integration. The tremendous experience of the plan-geared development of a diversified national economic complex on the scale of a multinational state which has been accumulated in the USSR combined with the fraternal countries' fruitful experience of economic cooperation was put to creative use by the communist and workers parties in their formulation on a collective basis of the strategy of the development of the CEMA countries' economic relations for the distant future and was concretely embodied in the Comprehensive Program of Socialist Economic Integration. The USSR's tremendous economic and scientific-technical potential—it accounts for more than two-thirds of the CEMA countries' aggregate industrial production—has been made an active part of the integration process and is determining the success of the main integration measures.

The USSR's position in the system of the CEMA countries' economic relations ensuing from its role as the world's first powerful socialist state serves as a topic for bourgeois propaganda's constant speculation. Taking as a basis the stereotypes of the mutual relations of large and small countries customary for the capitalist system—hegemonism, exploitation, inequality and so forth—socialism's ideological opponents are attempting to prove that such features also characterize the relations which have evolved between the USSR and other countries of the socialist community.

Studies devoted to the Soviet Union's relations with other socialist countries are multiplying like mushrooms after the rain in the West. These studies can be ascribed increasingly clearly to the general channel of the imperialist powers' "eastern" policy, which is aimed at weakening the world socialist system, undermining the unity and cohesion of the countries incorporated therein and at separating them and, primarily, at undermining the friendship and cooperation uniting our country with the other fraternal countries.

Typical in his respect is the multivolume study "The Soviet System and Democratic Society. A Comparative Encyclopedia," which was published with all the outward attributes of respectability, whose authors are many well-known anticommunists and also representatives of the liberal trend in bourgeois Sovietology. 5 It assembles and systematizes all postwar anticommunist views and concepts, including those on problems of the world socialist system and the socialist community and the USSR's role in their formation and development. One of the articles in the study regards the socialist community not as an international alliance of sovereign socialist states which is new in the principles of its formation but as a kind of conglomerate based on "domination and subordination." The objective natural patterns of the rapprochement of the socialist states, in the economic sphere also, and the concurrence of their fundamental political and economic interests are reduced to "Soviet hegemonism" and the "USSR's military supremacy" within the community framework. Passing off the wish for the reality, the author of the article discerns growing disintegration tendencies in the development of the socialist community.

The fraternal countries' communist and workers parties counterpose the consistent policy of strengthening their unity and cohesion to the imperialists' attempts to fragment the socialist community at any price. The party documents of the socialist countries evaluate highly the role of the Soviet Union and the policy of our party in strengthening the socialist community. They emphasize that cooperation with our country is an appreciable factor in the CEMA countries' solution of the most important socioeconomic problems and express the firm intention of these countries' peoples to constantly strengthen the friendship and extend and perfect cooperation with the Soviet Union.

Thus E. Honecker emphasized at the Ninth SED Congress: "The firm foundation of our progressive advance in socialist construction and in our foreign policy activity was, is and will remain our indestructible fraternal alliance with the Soviet Union and our republic's firm place in the community of socialist states."

Speaking from the platform of the 79th CEMA Executive Committee Meeting, held in Cuba for the first time, F. Castro declared: "Relations between the Soviet Union and Cuba along the lines of political and military support, in the sphere of trade and technical assistance and in the country's accelerated development will remain an unparalleled page in the history of relations between large and small countries."8

The peoples of the fraternal countries and their ruling parties see our country as a dependable partner in the implementation of socialist economic integration and realization of the Comprehensive Program. Thus T. Zhivkov observed in his greetings to the CEMA Session's 33d Meeting, which commemorated the 30th anniversary of the council's activity: "While paying tribute to the activity of each fraternal country in CEMA we wish to emphasize particularly the role of the Soviet Union as the natural nucleus and main engine of the integration processes."

E. Gierek points out in his greetings to the CEMA Session's 33d Meeting:
"For People's Poland cooperation within the framework of CEMA, in which the
Soviet Union was and remains the main partner, is a basic factor of the country's rapid restoration after the vast destruction of the war, the surmounting of backwardness, rapid economic development and of the consolidation
of socialist social relation."

Pham Van Dong, head of the Socialist Republic of Vietnam delegation, declared in his speech at the CEMA Session's 33d Meeting: "At the new stage of the revolution in our country the strengthening of solidarity and the relations of close comprehensive cooperation with the Soviet Union and the other fraternal socialist countries is of exceptional importance. Our party and state consider this their fundamental policy...."

L. I. Brezhnev's meetings with the socialist countries' leading party and state figures play an important part in the development of our country's comprehensive cooperation with the socialist community countries. Strong stimuli to the constant strengthening of the friendship and cohesion of the fraternal peoples take shape in the course of these meetings. The results of L. I. Brezhnev's visit to the GDR at the head of the USSR party-government delegation which participated in the celebration of the republic's 30th anniversary (4-8 October 1979), during which "opinions on all the most important aspects of the two countries' cooperation were exchanged and the main directions of its improvement and intensification for the long term were determined," are a significant example in this respect.

L. I. Brezhnev's now-regular Crimea meetings with the leaders of the fraternal parties of the CEMA countries should be highlighted particularly in this connection. These meetings show convincingly that the implementation of the socialist states' creative plans outlined by the party congresses is being accompanied by a further expansion of these states' relations in all the most important spheres of social life: politics, economics, ideology. The accords arrived at in the Crimea lend new impetus to concerted actions for the immediate and more distant future. They will contribute, in particular, to insuring that the upcoming five-year plans of the socialist community countries are planned and implemented under the sign of increasingly extensive production cooperation and specialization in the interests of the most efficient development of the economy of each of these countries and the further strengthening of the world socialist system as a whole.

In examining the characteristic features of the current stage of development of the integration process and evaluating its long-term prospects we should primarily highlight the significance of the strong, diversified national economic complex of the USSR and its domestic market, which is enormous in its capacity and diversity of requirements. Our country is the main customer for the fraternal countries' industrial exports. The Soviet Union's active assistance to the accelerated industrial development of the socialist community countries is not confined to direct assistance in the creation of modern enterprises. It was necessary to secure favorable conditions for their activity and for the increased efficiency of newly organized production facilities. One such condition is the organization of large-series, technically well equipped production, which in the majority of cases presupposes the manufacture of products on a scale exceeding domestic demand. It is also necessary to bear in mind the obvious fact that certain new sectors of the fraternal countries sometimes cannot reach the level of world standards initially; this considerably restricts possibilities of exports to the markets of capitalist countries. The plan-geared, stable Soviet market and large-scale export-import, production and scientific-technical relations with the Soviet Union are a most important factor of and powerful stimulus to the development of the export-geared production facilities in the socialist community countries and an increase in their technical level. The USSR currently accounts for approximately 40 percent of the CEMA countries' reciprocal foreign trade turnover.

The USSR stands out in particular relief in its role of main customer for machine-building products exported by the fraternal countries. In 1977 our country accounted for 40 percent of the CEMA countries' entire machinery and equipment exports; this indicator read thus for individual countries: 60.1 percent for Bulgaria, 42.7 percent for Hungary, 40.9 percent for the GDR, 35.8 percent for Poland, 15.2 percent for Romania and 39.8 percent for Czechoslovakia. The total sum of Soviet machinery and equipment imports from the socialist community countries here increased from R183 million in 1950 to R6,574,000,000 in 1977. 10 In the period 1971-1977 the countries increased their exports of machine-building output to our country thus: Hungary 26-fold, Poland 41-fold, Romania 30-fold and Czechoslovakia 33-fold; Bulgaria's exports increased 247-fold (compared with 1955).11

The constant improvement in the structure of the fraternal socialist countries' exports, particularly the systematic growth in the proportion of machinery and equipment in the total volume of their export commodities, is a consequence of the tremendous increase in Soviet purchases. The proportion of machine-building products in the CEMA countries' reciprocal exports in the period 1970 through 1977 alone increased thus: from 34 to 50.1 percent in Palaria, from 45 to 47.1 percent in Hungary, from 60 to 63.2 percent in the DR, from 52 to 55.7 percent in Poland, from 28 to 36.1 percent in Romania and from 59.8 to 60.2 percent in Czechoslovakia. Yet even at the start of the 1950's many of the above countries were exporting virtually no such products. It is significant that the CEMA countries have considerably surpassed the Common Market countries in the magnitude of the proportion of machine-building products in their reciprocal trade (43 percent).12

The USSR accounts for a considerable proportion of the CEMA countries' export of industrial aumer goods and food products, which is also a positive factor for their accommic development and increases their resources for the reimbursement of amodities imported from our country.

Of course, and this should be emphasized particularly, our country's economic relations with the fraternal countries are acquiring increasingly great significance for the USSR national economy and the better satisfaction of Soviet people's consumer demand. The number of enterprises fitted out with equipment imported from the socialist community countries is growing constantly in many sectors of industry. Our national economy makes extensive use of road-building and construction machinery and material-handling mechanisms produced in the fraternal countries. The USSR's motor, railroad, see and river transport is regularly reinforced with buses, cars, locomotives and ships from the same source. Industrial consumer goods, food and gustatory commodities and medicines imported from the socialist countries on a large scale and in broad assortment have become a firm part of Soviet people's daily life.

Thus in the current five-year plan up to 50 percent of the need for new ships and loaders, up to 35 percent of passenger car and 12 percent of bus requirements, approximately one-third of the adjustable rolled equipment requirement and nearly one-half of the need for equipment for the automatic telephone stations being commissioned will have been met in the USSR in the owerent five-year plan thanks to supplies from the CEMA countries. Over the live-year period our economy will have received from the fraternal countries more than 1,000 complete sets of equipment for the construction of industrial facilities, including six complete sets of equipment for carbamide production with a total annual capacity of 6 million tons, 21 sulfuric acid plants with a total capacity of 10 million tons a year, 46 complete sets of equipment for food and meat and dairy industry and so forth. No less than 15 percent of retail trade stocks of such commodities as furniture, footwear, ready-to-wear clothing and canned goods is covered by supplies from the CEMA countries. All these are only fragments of the impressive picture of the development of our country's mutually beneficial cooperation with the fraternal socialist countries.

The Soviet Union is contributing actively to the solution on a socialist community scale of such a complex and acute problem of a truly universal character as that of securing the countries' fuel, energy and raw material requirements. The socialist, truly internationalist approach to this problem is protecting the socialist countries against many grave consequences of the world energy crisis.

Thus in the period 1976-1980 the CEMA countries will have received from the T.SR almost 370 million tons of oil, 88 billion cubic meters of gas and 64 billion kilowatt-hours of electric energy. In summary form this is almost 1.5 times more than in the period 1971-1975. In the next five-year plan supplies of fuel-energy resources from the USSR to the CEMA countries will increased by a further 20 percent compared with the present five-year plan. The CEMA countries satisfy 80 percent of their oil and oil product requirement, 99 percent of their natural gas requirement, 75 percent of their ore (iron, chromium and manganese) requirement and 75 percent of their cotton requirement thanks to the Soviet supplies. 14

According to available estimates, the CEMA countries' total gain from purchases in the USSR of oil and oil products at prices lower than world prices ill have amounted to over R5 billion in 1976-1980. However, this far for a exhausts the advantages derived by the fraternal countries when they implied until and raw materials from the USSR. The point being that because of the real conditions of their trade with states of the nonsocialist world the European socialist countries could not have accumulated the multibillion nums in convertible currency needed for purchases of oil and oil products on the world capitalist market.

There has been an extension in recent years of the practice of the interested CEMA countries' joint financing of the development of raw material resources on USSR territory. Thus is the problem of mobilizing the constantly growing capital investments required for the development of production for export in the fuel-raw material sectors and of the more even distribution of these capital investments beween the exporters and importers of the raw materials and thereby of the more consistant realization of the principle of nutual benefit solved. A proportion of the product created by the enterprises' joint efforts which has been stipulated in advance is sent to the corresponding CEMA countries as reimbursement for credit granted the USSR. Such facilities which have already been built and which are under construction on USSR territory as the Ust'-Ilimskiy Pulp Plant, the Kiyembayevskiy Asbestos Mining-Enriching Combine and the "Soyuz" gas pipeline (Orenhurg--USS? Western Border) may be cited as being among the biggest join: construction projects constituting the basis of the Coordinated Plan of Multilateral Integration Measures for 1976-1980.

The fact that, for example, as of 1980 some 2.8 billion cubic meters of gas will be exported annually along the "Soyuz" pipeline to Bulgaria, Hungary, the GDR, Poland and Czechoslovakia and 1.5 billion cubic meters of gas to Romania testifies to the national economic significance of the integration

construction projects. In only 5 years after the commissioning of the gas pipeline natural gas supplies to the above countries will have risen by a factor of almost 3.5 as a whole compared with their volume in 1971-1975. Bulgaria, for example, will receive twice as much natural gas as now. The use of Orenburg gas in the GDR will reduce expenditure on power generation by 15 percent. In Poland it will be indispensable raw material for the chemical industry and so forth. 16

To cater for the European CEMA countries' ferruginous raw material requirements for an extended period the Comprehensive Program envisages the development in the USSR in conjunction with the interested countries of the mining, enriching and pelletization of the iron ore and also the creation of additional capacity for the production of individual types of ferroalloys. 1974 Bulgaria, Hungary, the GDR, Poland, the Boviet Union and Czechoslovakia concluded an agreement on the creation on USSR territory in the region of the Kursk Magnetic Anomaly and in the Ukraine of additional capacity for the production of iron ore pellets and concentrates. The construction of the second stage of the Mikhaylovskiy Mining-Enriching Combine and the Dneprovsk and Stoylenskiy mining-enriching combines has begun. In the same year of 1974 Bulgaria, Hungary, the GDR, Poland, Romania, the USSR and Crechoslovakia signed an agreement on the installation in the Soviet Union of additional capacity for the production of certain types of ferroalloyn: the Nikapol' Plant in the Ukraine and the Yernakovskiy Plant in Razakhetan for the production of ferroalloys.

In addition, the Soviet Union has put forward proposals concerning the construction on USSR territory with the efforts and resources of the European CEMA countries of capacities for the production of ferrous metallurgy products, in which the majority of countries are interested. Their implementation would make it possible to satisfy, in the main, the participating countries' ferruginous raw material requirements (taking into consideration imports of this raw material from third countries) by 1990. The USSR was also the initiator of the installation on its territory with the participation of interested countries of a foundry for the production of 10 million tons of cast slabs a year. 17

The role of the Seviet machine-building complex, which should be examined in several interconnected aspects, stands out in particular relief against the general background of our country's economic relations with the fraternal countries. First, our machine building caters for a considerable proportion of the fraternal countries' import requirements with modern machinery and equipment. In 1977 the USSR was responsible for 30 percent of the CEMA countries' machine-building product imports. Butire sectors of industry have been created and the retooling of the economy is currently underway in these countries on the basis of Soviet machinery and equipment supplies. Second, the Soviet machine-building complex consumes a substantial proportion of the CEMA countries' machine-building product exports.

and, finally, third, what is particularly important from the viewpoint of the development prospects of socialist integration, Soviet machine building is the natural pivot of the process of the CEMA countries' international production specialization and cooperation. The CEMA countries justifiably link the solution of such fundamental problems of their development as an acceleration of the rate of scientific-technical progress and an increase in production efficiency with the development of this process. The international specialization of the machine-building facilities of the CEMA countries and their cooperation afford an opportunity for organizing in each country the manufacture of machinery and equipment of a definite schedule at a high technical level, of good quality and with minimum outlays. Within the framework of this general direction it is proposed that individual countries specialize not only in the manufacture of this product or the other but also in the production of assemblies and parts, as is already the case, for example, in auto production at the Volga Plant.

Numbered of multilateral and bilateral production specialization and cooperation agreements have been concluded between the USSR and other CEMA countries in recent years. In just 2 years of the current five-year plan the volume of exports of specialized products in reciprocal supplies pracically doubled. The joint formulation of CEMA standards designed to effectively influence an increase in products' technical level and quality is underway.

The socialist community countries are now confronted with the magnificent and complex tasks determined by the demands of the current stage of the building of socialism and communism and also the general development of orld events and the situation which has taken shape in the world economy. These tasks were determined by the decisions of the 25th CPSU Congress and the congresses of the fraternal parties. They envisage the maximum use of intensive factors of growth and a comprehensive increase in social production efficiency as the general direction of the further progress of the socialist economy and an upsurge in the well-being of the peoples of the confidence insistently demands the commissioning of the entire potential of our cooperation and the concentration of joint efforts on the accelerated assimilation of the achievements of scientific-technical progress and the retional use of the community's evailable resources with regard for the requirements not only of today but also of the distant future.

Thus, for example, it is perfectly obvious that under modern conditions we cannot count on satisfying the fraternal countries' aggregate fuel, energy and raw material requirements solely on an extensive basis, thanks to an increase in extraction. This now no longer corresponds to the interests either of the countries supplying the raw unterial and fuel or those acquiring them. For this reason the fraternal countries are proceeding from the need to devote increasingly great attention to the high-performance aspect of the matter—a reduction in the fuel and raw material expenditure have and the creation of new sources of energy and source materials.

Another most important sphere in which the efficiency of cooperation is exerting a decisive influence on the efficiency of the national economy is eclentific-technical progress. A considerable proportion of world scient-ific-technical potential is concentrated and 20 percent of world inventions are created in our countries, the 33d CPMA Session pointed out, and more significant returns may be expected from this potential. What is needed for this is the closer unification of the fraternal countries' efforts both in the scientific-technical sphere itself and also in the machine-building sectors which embody the achievements of science and technology in new implements of labor.

The idea of the formulation of long-term specific cooperation programs (DTsPS) in the key material production sectors put forward by L. I. Breshnev at the 25th CPSU Congress and unanimously supported by the fraternal parties fully corresponds to the tasks of an essential increase in the efficacy of the CEMA countries' mutual economic relations and the increased impact of the integration process on the efficiency of the national economies. Evaluating their purpose, L. I. Breshnev observed that "it is not only a question of great mutual economic benefit but also of a task of enormous political significance. It is a question of strengthening the material foundation of our community." 19

Developing and concretizing the Comprehensive Program of Socialist Economic Integration, the DTsP5 outline a concerted strategy of cooperation in the solution of the most important national economic problems over a prolonged period—up to 1990—and, for a number of problems, in subsequent years also. These collective documents essentially determine plans of the fraternal in stries' joint actions to insure the efficient development of the interconnected production complexes playing a decisive part in the all-around progress of their economies. The measures envisaged in the DTsP5 are aimed at the optimum satisfaction of the CEMA countries' long-term requirements primarily through the comprehensive mobilization of the actual resources of each country and the community as a whole. Particular attention is paid to further equalization of the fraternal countries' economic development levels and to rendering assistance in accelerating the development and increasing the efficiency of the economies of Mongolia, Cuba and Vietnam.

The Soviet Union is an active participant in all five DTsPS which were adopted at the 32d and 33d CEMA sessions and which cover the fuel-energy and raw material sectors; the sphere of agriculture and the production of food products; machine building; and the production of industrial consumer goods and the transportation sphere. The Soviet Union has the leading role in the formulation and implementation of the numerous multilateral and bilateral agreements determining the specific volumes and terms of individual countries participation in the realization of each of the five DTsPS. Preparation of the drafts of such agreements has become a central element of work in the CEMA countries and bodies.

In 1979 the CEMA countries had already signed a whole number of agreements on implementation of DTsPS measures, and 14 such agreements were signed merely in the course of the 33d CEMA Session. The general agreement and corresponding bilateral agreements on cooperation in the installation on USSR territory of the Khmel'nitskays AES and the agreement on cooperation in the construction and operation of the 750-kilovolt Khmel'nitskays AES (USSR)--Ressow (Poland) power-transmission line and the Ressow Substation; the agreement on multilateral international specialization and cooperation of the production and reciprocal supplies of equipment for AES for the period 1981-1990; the general agreement on the specialization and cooperation of the production of energy-intensive and less energy-intensive chemical products; and others stand out among the documents which have been signed.

True to its international duty, the USSR is discharging its obligations with respect to implementation of the integration measures consistently and in full. The CPSU Central Committee and USSR Council of Ministers decision on the results of the 33d CEMA Session entrusts the competent Soviet authorities with formulating and implementing the necessary measures insuring the full and timely discharge of the Soviet Union's obligations ensuing from the session's decisions.

The entire 30-year-plus experience of the development of the socialist community testifies to the great life-asserting force of the USSR's friendship and cooperation with the fraternal countries. The constant intensification of mutual economic and political relations and the strengthening of the cohesion of our countries are a most important condition of the fact that the socialist community has now become the most dynamic economic force in the world and a leading factor of world politics consistently asserting the historic advantages of real socialism.

POOTNOTES

- L. I. Brezhnev, "Leninskim kursom" [Following Lenin's Policy], Speeches and Articles, vol 4, Politizdat, 1974, 250.
- 2. VNESHNYAYA TORGOVLYA No 3, 1979, pp 3-4.
- See G. M. Sorokin, "Oktyabr' i mirovaya sistema sotsializma" [October and the World Socialist System], Hoscow, Znaniye, 1967, p 25.
- 4. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV No 1, 1979, p 7.
- See "Sovjetsystem und demokratische Gesellschaft. Eine vergleichende Enzyklopsedie," vols I-VI, Preiburg-Basel-Vieuna, 1966-1972.
- See 1bid., vol V, pp 1057-1059.
- E. Honecker, "SED Central Committee Report to the Ninth SED Congress," Dreaden, Zeit im Bild, 1976, p 13.

- 8. EKONOHICHERKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV No 1, 1977, p 6.
- 9. PRAVDA 1/ October 1979.
- 10. VNESHNYAYA TORGOVLYA No 2, 1979 pp 5-6.
- 11. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV No 1, 1979, p 7.
- 12. VNESHNYAYA TORGOVLYA No 2, 1979, p 3.
- 13. KOMMUNIST No 3, 1979, p 19.
- 14. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV No 1, 1979, p 7.
- 15. They would have needed more than U.S. 212 billion for this purpose in the period 1974-1977 alone.
- 16. VNESHNYAYA TORGOVLYA No 11, 1978, p 13.
- 17. Ibid., p 15.
- 18. Ibid., No 2, 1979, p 5.
- L. I. Brazhnev, "Following Lenin's Policy," vol 5, Politizdat, 1976, pp 457-458.

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Scientific, Technical Cooperation

Liev EKONOMIKA SOVETSKOY UKRAINY in Russian No 1, Jan 80 pp 62-67

[Asticle by V. Gontar' and V. Mashtabey, candidate of economic sciences: "Improvement of Joint Planning Activity and the Increased Efficiency of the CEMA Countries' Scientific-Technical Cooperation"]

Text] Mutual scientific-technical cooperation is of considerable importance in the system of the CEMA countries' foreign economic relations. It fully inflects the principles of fraternal mutual assistance, equality and mutual benefit by which the socialist states are guided in relations among themselves. Considering these characteristics, it should be noted that this cooperation, which is conditioned by the very nature of the world socialist system, is an objective natural pattern of it.

In recent years the socialist countries' scientific-technical cooperation has developed into a complex organizational system and is exercised by various international organizations created by the CEMA countries on the basis of long-term plans and multilateral agreements.

The Comprehensive Program of the Further Intensification and Improvement of Cooperation and the Development of the Socialist Economic Integration of the CEMA Countries, which was adopted in 1971, was an important landmark in the life of the community. The period since its adoption has been characterized by a further broadening of the comprehensive approach to the scientific-technical problems (including specialization and cooperation questions) selected for joint solution: from scientific research through the introduction of the results obtained in the process of this research in production.

The 31st (1977) and 32d (1978) CEMA sessions summed up the results of the successful implementation of the Comprehensive Program's measures in the sphere of science and technology and charted new boundaries of the socialist countries' further advance along the path of scientific-technical progress.

The practical implementation of the Comprehensive Program of Socialist Economic Integration now demanded primarily the more urgent solution of the problem of an improvement in the interested states' cooperation in the sphere of planning activity. The need for the unification of the CEMA countries' efforts for the speediest achievement of advanced scientific-technical results, an increase in labor productivity and competitiveness on world markets engendered a new form of mutual cooperation—the joint planning of the development of individual sectors of industry, types of production facility and important scientific and technical problems.* The appearance and importance of this form of planning were conditioned, in addition, by the need at the current stage for the extension of international specialization and cooperation in various spheres of the economy, including the sphere of science and technology.

Joint planning is designed to insure the in-depth stage-by-stage (right down to direct-effector level) detailing of the cooperation process in the comprehensive solution of problems of scientific-technical progress. This qualitatively new form of joint planning activity is the logical continuation and extension of the coordination of the CEMA countries' national economic plans, which has given a positive account of itself.

The final result obtained thanks to cooperation and its technical-economic specifications and also the significance of this result for the CEMA countries' further scientific-technical and economic progress serve as a most important criterion of the choice of scientific-technical problem of production or sector as a field of joint planning.

^{*}See "Kompleksnaya programma dal'neyshego uglubleniya i sovershenstvovaniya sotrudnichestva i razvitiya sotsialisticheskoy ekonomicheskoy integratsii stran-chlenov SEV" [Comprehensive Program of the Purther Intensification and Improvement of Cooperation and the Development of the Socialist Economic Integration of the CEMA Countries], Moscow, Politizdat, 1971, pp 28-30.

The new form of joint planning activity is applied under the conditions of the preservation of national ownership of the corresponding scientific research and projection potential and resources. Joint planning now represents an international instrument of the detailed and comprehensive coordination of the CDM countries' national planning decisions with regard to the jointly set tasks in this sphere of development or the other with the preservation of each country's independence in questions of domestic planning.

Thus joint planning makes it possible to view in a new light the unity of the entire "science-technology-production" complex, in which the most dynamic element is science, outstripping the development of technology and production and determining its main directions. Such questions here as coordination of the amounts of overall expenditure and capital investments for the development of the physical base of science and technology, determination of the procedure and conditions of the distribution among the participating countries of the results obtained in the course of cooperation and determination of the volumes and conditions of equipment supplies are being reflected increasingly fully in the organization of the CDMA countries' work on joint planning in the sphere of science and technology.

An important stage of this work is the technical-economic substantiation of the problem or field scheduled by a country (several countries) for insertion in the plan of scientific-technical cooperation or for the subsequent conclusion of an intergovernmental (interdepartmental) agreement thereon. Together with data on the general status of the development of a specific problem, foreign experience, the purpose of cooperation and its forms, the parties' obligations and so forth this technical-economic substantiation should contain information on the anticipated economic effect of its further development for the cooperating parties and also on possible areas of specialization following its solution.

The realization of such requirements in the sphere of machine building and transportation has already produced certain practical results. Thus at the start of 1972 the CEMA countries signed the first multilateral agreement in the history of their economic and scientific-technical cooperation on joint planning of the production of certain types of metal-cutting machine tools with digital program control. As is known, thanks to the unification of these cuntries' efforts, the time taken for scientific research and experimental design work was reduced by 3-5 years compared with what would have been the case had it been undertaken by each country individually. The savings has amounted to approximately 7 million work-hours.

Joint planning affords an opportunity for deciding questions of the preparation and organization of new science-intensive production facilities comprehensively and within compressed deadlines. A unified system of highly productive third-generation computers of identical design and peripheral units and with a joint mathematical "language" was creeted in only 2-3 years by the fraternal countries' collective efforts on the principles of joint planning. The series production of these machines was organized on the

basis of in-depth production specialization and cooperation. More than 20,000 scientists and design workers and over 70 plants employing approximately 300,000 people are working in accordance with a unified plan in the fraternal countries. Reciprocal supplies of computer equipment in the current five-year period alone can be measured in hundreds of millions of rubles.

In April 1972 all the CEMA countries signed agreements on the joint planning of the material-technical base of a containerized transportation system and cooperation in the sphere of its creation and further development. Regular container lines between Moscow and the capitals of the European CEMA countries and also on a number of other freight traffic routes—Sofia-Prague-Rostok, Budapest-Gdynia and Prague-Szczecin—had been commissioned as early as 1975.

These agreements as yet involve chiefly individual types of science-intensive production facilities. But as experience is accumulated, joint planning will increasingly embrace individual scientific and technical problems also.

In this connection joint planning envisages a qualitatively new approach to problems of the economic efficiency of scientific-technical cooperation. With this planning the socialist state assumes certain obligations and, consequently, reflects them in its national economic plans inasmuch as realization of the coordinated variants of cooperation make it possible to obtain this or the other economic result. The country's aspiration to achieve the biggest result here by no means contradicts the tasks of securing the ecoperation's mutual adventageousness to all countries.

Of course, the socialist countries' scientific-technical cooperation pursues not only not gain but, primarily, observance of international interests. Precisely this is attested by the data of the table (employed by us subsequently as an illustration in figures to substantiate the calculations obtained with the help fo formulas (1) and (2)). It shows the proportion of the approximate (for 1976-1980) expenditure of each CEMA country in accordance with the list of problems of scientific-technical cooperation in respect of which agreement has been reached on their further development (with their possible inclusion in the Goordinated Plan of Hultilateral Integration Heasures).

[Table on following page]

Proportion of Individual CEMA Countries' Field-by-Field Approximately Expenditure (sum total of expenditure in 14 fields)

| COUNTRY | | | | FIELD | | | (Percentage) | |
|-----------------------------------|------|---------|------|-------|------|-------|--------------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Bulgaria | 34.6 | 5.7 | 1.1 | 5.6 | - | 3.7 | 6.8 | 7.0 |
| flungary | 0.6 | 100.000 | 5.8 | 0.2 | 0.9 | 16.8 | - | 00 to |
| GDR | 3.8 | 99/90 | 9.7 | 4.9 | 6.9 | 5.3 | 16.4 | 10.6 |
| Mongolia | 23.7 | 987360 | 0000 | *** | 74.1 | 00.00 | 98.70 | - |
| Poland | 2.7 | 5.6 | 22.5 | 4.3 | 3.3 | 1.4 | 2.4 | 1.1 |
| USSR | 4.5 | 65.3 | 0.1 | 0.5 | 0.3 | 2.2 | 0.7 | 1.9 |
| Czechoslovakia Of the field as | 5.3 | - | 4.5 | 5.8 | 24.5 | 8.2 | 1.4 | 7.3 |
| a whole | 4.9 | 50.7 | 3.1 | 1.4 | 2.4 | 3.2 | 1.8 | 2.7 |
| | 9 | 10 | 11 | 12 | 13 | 14 | | Total |
| Bulgaria | 19.2 | - | 11.8 | 4.4 | | | | 100 |
| Hungary | - | - | 54.8 | 1.7 | - | 19.5 | | 100 |
| GDR | 3.9 | 6.9 | 10.4 | 4.9 | 3.3 | 13.1 | | 100 |
| Mongolia | - | - | - | 0000 | 2.2 | 60.00 | | 100 |
| Poland | 4.3 | 1.1 | 8.9 | 2.3 | 7.5 | 34.0 | | 100 |
| USSR | 2.3 | 2.1 | 5.2 | 0.7 | 0.04 | 13.5 | | 100 |
| Czechoslovakia | 16.0 | 9.5 | 16.8 | 0.2 | 0.5 | | | 100 |
| Of the fields | 3,6 | 2.6 | 8.2 | 1.1 | 0.7 | 13.7 | | 100 |

A cording to the table, of the sum total of the CEMA countries' expenditure in 14 fields, field 2 accounts for over half, the main effector of which is the USSR (99.1 percent of the resources channeled into it by all countries and 65.3 percent of total USSR resources spent in the 14 field). In second and third place come fields 14 and 11 (13.7 percent and 8.3 percent respectively of the resources allocated by the participating countries for the in elopment of all fields).

The fact that the main effectors of fields 2, 14 and 11 are the USSR, Poland, Czechoslovakia and Hungary (the GDR to a lesser extent) deserves attention. These fields concentrate 72.6 percent of the CEMA countries' expenditure in all 14 fields, and the expenditure of just the above-mentioned countries constitutes 70.1 percent.

At the same time it is not difficult to spot that in this case (as in many others) the amounts of the CEMA countries' expenditure on the development of the indicated 14 fields actually corresponds to the proportion of their

national incomes in the CEMA countries' aggregate national income (or the proportion of each country's expenditure in the aggregate expenditure in the sphere of science and technology). Insufficient use has been made in practice of the possibilities of corresponding analytical studies and 'technical-economic calculations in ascertaining specialization and cooperation factors.

We thus observe the identification of the object of cooperation for a sharply-defined national ecnomic task and its corresponding scientific-technical problem to an even greater extent on the basis of an agreement of the participating countries than of appropriate technical—conomic substantiation atking account of the objective movement of factors of national scientific-technical and economic spheres.

The differences in the expenditure of a number of participating countries on the development of specifically selected scientific-technical fields still does not give us, however, a complete picture of the economic result obtained by each individual country. To determine the latter it is necessary to apply a comparative analysis for a given group of countries and to calculate for each of them the coefficient of interest in the development of all 14 fields, employing the following formula, which realizes the well-known "variational spread" concept:

where X is the coefficient of an individual country's interest in all the fields being developed; lmin is the minimum expenditure which the country incurs on one of the fields which it is developing; and lmax is the maximum expenditure which the country incurs on one of the fields which it is developing.

The analysis shows that the GDR is the most interested in the development of all 14 fields: thus, for example, its interest coefficient is 6.7 times greater than that of Poland and Bulgaria, 22.2 times greater than that of Czechoslovakia and 15.4 times greater than all the participating countries.

Of course, the calculated indicators require a certain amplification from the standpoints of the scale and development level of the national economic complex of this CEMA country or the other participating in the joint development of given scientific-technical fields.

Assuming that in the event of the one-time realization of a scientific-technical result obtained in the course of joint development the economic effect is directly proportionate to this country or the other's interest in its achievement, let us amplify formula (1) thus:

$$9=\chi-\frac{M}{0}, \qquad (2)$$

where 3 is the economic effect obtained by the country from realization of the jointly developed innovation; M is the volume of the country's national income; and Q is the number of those employed in the country's national economy.

The results of these rough calculations of our testify that shortcomings of the technical-economic substantiations in the course of the joint planning of the 14 fields reduce by a factor of 3.4 (compared with the average potentially possible) the economic effect from their development anticipated by the CEMA countries.

For the purpose of further increasing the integrating CEMA countries' interest in cooperation it is essential to develop scientific-technical special-zation and cooperation in greater depth. The international division of labor in science (as in production) depends on national conditions and, primarily, on the structural-functional types of industrial complex and scientific-technical potential connected therewith.* For this reason it may be concluded that each country, with regard for this dependence, should concentrate its efforts on a definite list of scientific-technical fields with the subsequent leveling of the correlation (proportion) between minimum and maximum expenditure on their development.

The further development of joint planning in the direction indicated will create conditions for the more active formation of organizational forms of the specialization and cooperation of the interested CEMA countries. It will also contribute to the removal of existing contradictions in the interests (particularly short-term interests) of individual countries—contradictions and mutually conditioned shortcomings at various levels of the organization and management of integration processes in the sphere of science and technology which are a serious obstacle to the planned formation of the international socialist division of labor and the implementation of integration measures of long-term significance.**

The acientific-technical problem upon whose development by means of specialization or cooperation a specific country on the one hand and all the remaining CEMA countries on the other would obtain the maximum economic effect

[&]quot;Ekonomicheskiye problemy nauchno-tekhnicheskogo sotrudnichestva, yego mesto i rol' v protsesse sotsialisticheskoy ekonomicheskoy integratsii. Materialy mezhdunarodnogo simpoziuma v Prage" [Economic Problems of Scientific-Technical Cooperation and its Place and Role in the Process of Socialist Economic Integration. Material of an International Symposium in Prague], Moscow, 1976, p 166.

^{**}See Guzek Marian, "Ekonomicheskaya integratsiya stran sotsializma" [Economic Integration of "he Socialist Countries], Moscow, Ekonomika, 1973; V. Ya. Mashtabey, "An Analysis of Economic, Organizational and Informational Relations in the System of the CEMA Countries' Scientific-Technical Integration" in the collection "Economic Problems of Scientific-Technical Cooperation and its Place and Role in the Process of Socialist Economic Integration."

might be selected, we believe, by employing the method of economico-mathematical calculations described below.*

Having a number of countries (k) and a list of the scientific-technical fields being developed by them (i), we can construct a matrix whose main criterion will be the level of expenditure on the development of science and technology in this branch or the other thereof. Thus we possess data making it possible to determine the sequence of specialization—both with respect to the countries and for the branches of science and technology. For this we apply the formula:

 $r_{ik} = 1 - \frac{e_{ik}}{V_i}; \quad r_{ik} = \begin{pmatrix} r_{ik} & r_{ik} - r_{kk} \\ r_{ik} & r_{ik} - r_{kk} \\ \vdots & \ddots & \ddots \\ r_{mk} & r_{mk} - r_{mk} \end{pmatrix},$ (3)

where r_{ik} is the coefficient of comparative advantage from the viewpoint of the country's specialization in the sphere of science and technology; v_k is the specific coefficient of the structure of expenditure on the development of science and technology within the country; and v_{ik} is the weighted

everage structural coefficient of expenditure internationally $(V_i = \sum_{k=1}^n u_{ik} \cdot v_{ik})$

is the specific proportion of each country's expenditure on the scientific development of field i in aggregate expenditure for this field in all countries).

if all $r_{ik} = 0$ specialization in the sphere of science and technology is inexpedient inasmuch as the effect therefrom also equals zero in this case. The greater r_{ik} the greater the effect from the participation of a country's science and technology in international specialization and vice versa.

For the purpose of ascertaining the maximum effect from joint planning in this sphere it is far more important to make a comprehensive analysis of the changes in the structural mutual complementariness of the systems of science and technology of all the CENA countries. For this it is necessary to find a criterion with which it is possible to determine whether the differentiation of the correlations of expenditure on the development of science and technology is increasing, remaining unchanged or diminishing on a community-wide scale. Such a criterion could be the coefficient of comparative advantage R1 calculated as:

$$R = \sum_{i} \sum_{j} |r_{ik}|. \tag{4}$$

^{*}For more detail see V. Ya. Mashtabey, "Coordination of the Variants of National Scientific Policy with the CEMA Countries' Specialization in the Sphere of Science and Technology," NAUKOVEDENIYE I INFORMATIKA No 16, Kiev, Naukova dumka, 1976.

Its above-normative diminution would signify an attentuation of structural differences in expenditure on the development of science and technology, which would actest the limited possibility of efficient international specialization. A change, however, in the value of the coefficient in a positive direction (also within certain limits) would create the conditions for an extension of the international division of labor.

The comparative facility of the monitoring of the stated structural changes with the aid of the proposed coefficients—even in such an extremely complex system as scientific research and experimental design work—affords an opportunity of controlling these changes on a current and planned basis, utilizing on an ever increasing scale such a form of international planning activity as joint planning.

It is in precisely this direction that the development of scientific-technical cooperation is oriented by the decisions of the 31st and 32d CEMA sessions, which formulated the task of the gradual transition to the comprehensive planning of cooperation among the CEMA countries in this sphere. The program of the implementation of this transition envisages:

the creation of an organizational-legal mechanism of the comprehensive regulation of scientific-technical cooperation processes in interconnection with the industrial-economic and commercial mechanisms;

an improvement in the procedure of the elaboration and coordination of general programs of scientific-technical cooperation and the methodics demands made on their content; and

the realization of the stage-by-stage transition to the comprehensive planning of scientific-technical cooperation.

A most efficient form of comprehensive planning, which has justified itself over the past 6-7 years, is the joint planning of the development of individual sectors of the CEMA countries' economies. The "General Provisional Methodics Regulations on Joint Planning by Interested Countries of Individual Sectors of Industry and Types of Production Facility" adopted by the CEMA Committee for Cooperation in the Sphere of Planning Activity sets in order all stages and types of work of the "research-production" cycle:

a) scientific research work; b) planning-design work; c) development of experimental models and semi-commercial trials of products; and d) elaboration of technical documentation on the series production and complete assimilation of scientific-technical schievements in current production.

It is essential that the CEMA countries elaborate in greater depth the socalled unified schedule of recorded stages and types of work maximally suitable for use in the planning of scientific-technical cooperation. Steps toward a certain "standardization" of the methodics of planning the development of science and technology applied in individual CEMA countries would be useful in this respect. We believe that the methodics of joint planning in this sphere should also embrace the procedure and principles of the coordination of the legal registration of each country's obligations drawn up more precisely and in greater detail. Initially the application of methodics should be confined to a few scientific-technical problems, which will make it possible to accumulate the necessary experience and disseminate it in planned fashion to a greater number of them.

We believe that the selection of scientific-technical fields for the joint planning of their development should be made on the basis of the Main Directions of the Development of the CEMA Countries' Scientific-Technical Cooperation for the Period Through 1990, the coordinated plan of multilateral integration measures, the DTsPS, the summary protocols of multilateral and bilateral consultations on questions of scientific-technical policy and on the coordination of five-year national economic plans and also supplementary proposals of the CEMA countries.

It is essential that the economic calculations made here and the substantiations being elaborated be correlated with the real plan indicators of the work of the ministries and departments of the countries participating in the cooperation and that the conclusions from these substantiations correspond to the real financially autonomous interests of the economic organizations.

Securing the broader participation of the science-production associations in joint scientific-technical planning also remains an important point. This would provide an opportunity for linking scientific-technical research considerably more closely with production and for timely preparations for introducing the results anticipated from the CEMA countries' joint cooperation in the sphere of scientific research and experimental design work.

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Book Discusses Currency

Moscow EKONOMICHESKIYE NAUKI in Russian No 1, 1980 pp 113-115

[Candidates of economics G. Adeishvili and V. Kirillov review of book by Yu. A. Konstantinov "Honey in the System of the CEMA Countries' International Economic Relations," edited by Prof L. N. Krassvina, doctor of economics, Hoscow, Finansy, 1978, pp 286: "Political-Economic Aspects of the CEMA Countries' Currency Relations"]

[Text] The methodological significance of the work under review lies in the solution of problems of the role and place of money (primarily the international collective socialist currency—the transfer ruble) in the system of the fraternal states' international economic realtions. The book, which has seven chapters, studies a very wide range of questions. It analyzes, in particular, the main economic regularities of the interaction of the CEMA countries' monetary, currency and finance systems. The very formulation of

this question undoubtedly merits attention. In approaching the theme of his atudy the author pays considerable attention to currency relations under capitalism. He takes as a basis here the methodological principles formulated by the classic authors of Marxism-Leninism and a wealth of historical mater-The critical analysis of the evolution of national and world currencies and also the role and place of gold both in the domestic economy of capitalism and in the currency relations of contemporary bourgeois society is of great interest to teachers of political economy. Yu. A. Konstantinov examines in detail the need for an elucidation of the evolution of money and thoroughly analyzes real money and its functions and also paper and credit money. The process of the demonstization of gold in domestic circulation and the socioeconomic consequences of this process -- abolition of the gold parition of monetary units -- are shown very convincingly, in our view. Under such conditions the standard of price is not fixed by the state. In this correction the author correctly emphasizes the increased significance of gold as a commodity. There is an interesting table on page 65 dealing with the use of gold for industrial and other purposes,

In the international sphere there are no grounds for saying that gold has now finally been demonetized. Moreover, in a modified form gold is, as before, partially performing the functions of a world currency. The modification here is displayed in the fact that gold, as the author writes, "is performing the function of a world currency in intermediate fashion through the mechanism of the buying and selling of it in the market" (p 80). Purthermore, as the muther writes, it is also being used obliquely to cover balance of payments deficite (see ibid.). The conclusion concerning the total demonetization of gold as a world currency is, we believe, premature. Complex, contradictory and far from completed processes are underway, and further research will have to be carried out aimed at elucidating the politico-economic essence of the place and role of gold under the conditions of contemporary capitalism.

Tallian, the author shows convincingly that in the sphere in question also soldism, the author shows convincingly that in the sphere in question also soldism has tremendous advantage over capitalism. It is correctly stressed that the conformity to plan which emerges on the basis of public ownership of the means of production is of fundamental significance in securing these advantages. It is not locked within a national framework; its components also penetrate the interstate relations of the socialist community countries are embracing these relations increasingly fully, in the currency sphere itse.

the work pays much attention to the economic nature, essence and functions of the transfer ruble—the collective international socialist currency. These functions, as the book shows in well-reasoned fashion, are three: a reasure of value, a means of payment and a means of accumulation. The transfer ruble is the universal equivalent within the framework of the CEMA countries, that is, currency. Furthermore, although outwardly, in form, the transfer ruble appears in the form of entries in the accounts of the Internal formal Bank for Economic Cooperation, in reality the simple technical

transaction of entries is bank accounts conceals real economic processes of commodity exchange among the CEMA countries. The transfer ruble appears as the logical result of the fraternal countries' economic cooperation and was brought into being by the objective requirements of the development, intensification and extension of socialist economic integration. Pinally, it is ensential to bear in mind that although the transfer rubles do not appear in an object, tangible physical form, they represent real resources for the CEMA countries. The author is right when he writes about the transfer ruble that "it is a particular variety of the credit form of international currency closely linked with the commodity and commodity circulation" (p 151) and that "...the noncash form of turnover of the transfer ruble is not a short-coming of it, as is sometimes believed" (see p 150).

The monograph consistently and thoroughly studies the development of the functions of the transfer ruble and shows the influence of the rate of exchange on foreign economic relations and the role of coordinated exchange rates. It examines questions of the interconnection of the exchange rate and the equivalence of accounts and the multilateral nature of the accounts as conditions of the development of the functions of the transfer ruble.

The author criticizes those economists who believe that the exchange rate and the exchange multiplier are fundamentally different concepts. For (and the work proves this—see p 169), despite the difference in terms, the exchange rate and exchange multiplier perform in practice an identical role in the servicing of economic relations.

The work under review also deals with the very complex problems of the convertibility of the transfer ruble. Three forms of it are highlighted theoretically: the transfer ruble's convertibility into the capitalist currencies of the West and gold; the transfer ruble's convertibility into the national currencies of the CEMA countries; and the mutual convertibility of the currencies of the CEMA countries. Yu. A. Konstantinov arrives, we believe, at the correct conclusion concerning the prematurity of the transfer ruble's convertibility into capitalist currencies and gold. There are insufficient economic and organizational prerequisites for this, and this is all the less desirable under the conditions of the currency crisis in the capitalist world.

What is most relevant today, the author believes, is currency convertibility with certain restrictions in noncommercial transaction accounts (tourism, services and so forth). The author is, we believe, right in thinking that currency convertibility for noncommercial payments should be applied extensively in the future. The sphere of noncommercial payments could in the future be serviced more extensively by the collective currency alongside the CEMA countries' national currencies. The monograph also examines the passibilities of the functioning of the transfer ruble in foreign trade turnover in relations with the developing countries, primarily those proceeding along a noncapitalist development path. Such a functioning, the author observes, would undoubtedly enhance the authority and significance of the international socialist collective currency.

A chapter of fu. A. Konstantinov's book is devoted to the main directions of the development of the CEMA countries' socialist economic integration. As is known, our economic literature illustrates in detail the progress of the realization of the integration measures. This part of the reviewed work is of interest, nevertheless. Yu. A. Konstantinov analyzes in a systematized form the main directions of economic cooperation through the prism of the currency-finance mechanism.

The difficult task confronting the author of the book has, we believe, been accomplished very successfully, on the whole. Whence, however, it does not follow that the book is without shortcomings. We would like to draw attention to the following in this connection. The Comprehensive Program of the Further Intensification and Improvement of Cooperation and the Development of the Socialist Economic Integration of the CEMA Countries raises the question of a study of the possibility of the CEMA countries' introduction of a unified exchange rate for the national currencies. Currently, as is known, there is a dual system of exchange rates for commercial and noncommercial transactions. The formation of the conditions for the introduction of a unified exchange rate envisages a further improvement both of domestic and contract prices, the removal of unjustified fluctuations in their proportions and their guaranteed mutual influence. A large place here should be assigned joint planning activity, in the course of which account would be taken, for example, of the level and proportions of the foreign trade prices and also the structure of reciprocal trade and other rate-forming factors.* In turn, climination of the sharp disproportions in domestic wholesale prices and their deviation from contract prices gives rise to the need for a further atandardization of the domestic price-forming systems in the CEMA countries: without this the reckoning up of the corresponding value indicators, particularly the aggregate social product and national income, will be made more difficult -- from the viewpoint of their volumes, distribution and so forth. Unfortunately, the author not only has not elucidated this problem but has not even attempted to dwell on it.

Yu. A. Konstantinov has devoted much attention to the fuel-raw material problem, interstate production specialization and the questions of foreign ecomusic relations and joint planning activity through the prism of the currencyfinance mechanism. However, such an important sphere of economic cooperation at a creation of international economic organizations remained beyond the author's purview. Yet it is known that the currency-finance aspect is of considerable significance in their activity. The author should, we believe, have expressed an opinion on this question.

^{*}See, for example, M. S. Lyubskiy, L. Kh. Sulyayeva, V. H. Shastitko, "Valyutnye i kreditnyye otnosheniya stran SEV" [The CEMA Countries' Currency and Credit Relations], Moscow, 1978, p 75.

We would like to emphasize in conclusion that the reviewed work is a timely and profound comprehensive study of a most complex problem. It will be of considerable interest to both scientific and practical workers. Teachers of political economy and special subjects in the economic VUZ's and student accommists will find familiarization with this book undoubtedly useful.

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Economic Integration

MUSICOW EKONOMICHESKIYE NAUK! in Russian No 1, 1980 pp 115-117

[Candidate of Economics O. Bakovetskiy review of M. S. Lyubskiy, L. Kh. Sulyayeva and V. M. Shastitko book "The CEMA Countries' Currency and Credit Relations," edited by T. V. Savich, Moscow, Nauka, 1978, pp 160: "An Important Component of the Mechanism of the CEMA Countries' Economic Integration"]

[Text] A most characteristic feature of the current stage of the development of the world socialist community is the CEMA countries' development of socialist economic integration. As Comrade L. I. Brezhnev observed in his greetings to the participants in the 33d CEMA Session, "socialist economic integration has become an inalienable feature of the life of our community and a powerful and stable factor of the fraternal countries' comprehensive progress."

The successful development of the socialist integration process demands a constant and in-depth scientific study of its theoretical and practical problems and, in particular, of the problems of currency and credit relations. The book under review is the first study in our economic literature specially devoted to a comprehensive examination of the CEMA countries' currency and tredit problems. It analyzes the above problems under the current conditions of the development of these countries' cooperation, primarily in connection with the extension of their joint planning activity. The authors' attention is concentrated on such questions of paramount significance as the particular features of world and international currencies, the essence and functions of the transfer ruble, the system of the CEMA countries' multilateral accounts and the system of international socialist credit.

As far as the methodological point of departure of the analysis is concerned, the book regards it as a study in all its amplitude and specific of the commodity-money relationships among the CEMA countries (see Chapter I). This decision at the start of the work seems perfectly justified. The monograph correctly emphasizes that the main fundamental distinction of commodity-money relationships under socialism from analogous relationships in the presocialist modes of production lies in the fact that the former are sub-ordinated to the goal of socialist production (see p 9). Whence it follows

^{*}PRAVDA 27 June 1979.

that under the conditions of socialist economic integration there is an objective need for the organic incorporation of currency and credit instruments in the system of joint planning activity. It has to be mentioned as a positive aspect of the examination of commodity-money relationships that the book studies the latter not in themselves but as an element of international socialist production relations. The authors show that the need for the use of commodity-money relationships in the integration process objectively ensues from the particular features of international socialist production relations and from the nature of the process of the socialization of production at this stage.

It is common knowledge that socialist ownership of the means of production appears in the international sphere in the form of national-state ownership. Only on the basis of socialist ownership is realization of the law of the plan-based, proportional development of the national economy in international economic relationships possible; it ultimately determines the nature and forms of the manifestation of plan conformity -- the universal form of the movement of the socialist economy -- and the structure and type of the economic mechanism of international cooperation. Guided by this thesis, which the book examines convincingly, its authors comprehensively substantiate the place of commodity-money relationships and the market in the system of the CEMA countries' economic relations, deduce the connection of individual categories of commodity-money relationships and their functions from the general essence these categories under socialism (see Section 1, Chapter 1) and reveal the specific problems of world and international currencies under current conditions (Section 2, Chapter I). It needs to be considered, however, that what we have here is questions for debate requiring particularly thorough argumentation in the solutions. We believe that the authors do not always take heed of this fact. Thus, concerning gold's performance of the function of a measure of value in international accounts, they simply assert that gold performs this function under current conditions (see p 35). We believe that this openion could have been far more weighty if it had been based on uppropriate substantiations.

The reviewed work observes that, thanks to the coordinated policy of the fraternal countries' communist and workers parties, a socialist international surrency-finance and credit system corresponding in nature to the new type in interstate relations has been created and is functioning successfully in the system of the CEMA countries' economic mutual relations. It incorporates the international socialist collective currency (the transfer ruble), the system of multilateral accounts in this currency for all types of commercial and noncommercial payments and also the system of short-term, medium-term and long-term credit. Elements of the socialist international currencyfinance and credit system are thoroughly researched in the corresponding chapters of the monograph. Thus Chapter II comprehensively examines the essence and functions of the transfer ruble and the system of the CEMA countries' multilateral accounts. The authors formulate demands on the socialist states' currency-finance mechanism both at the current stage and in the future and reveal the main directions of an improvement in currency relationships in the socialist community.

The political-economic characterization of the transfer ruble, which is, as the work shows, a most important element of the socialist system's international currency-finance system, is of particular interest. The authors believe, correctly from our viewpoint, that the transfer ruble as the international socialist currency genetically reflects the specific features of somey under socialism. At the same time the international modification of the content of commodity-money relationships is reflected in the transfer ruble and manifested in the specific features of its functions and use mechanism (see p 37). The monograph notes that the consistent development of all the functions of the transfer ruble as an international currency is proceeding along the path of its more efficient use in the process of state planning and joint planning activity. This is the main prerequisite of an increase in the role of the socialist states' currency-finance system in the solution of the most important integration problems in the aphere of production, science and technology. The book correctly emphasizes: "The main purpose of an improvement in currency-finance relationships is to insure that they correspond to the tasks of integration and be an efficient means of its realization, contributing to the devel opment of all forms of cooperation" (pp 49-50).

In examining the collective currency's functions the question arises: through what mechanism does it perform its main function? Answering it, the authors put forward the quite original and, at first eight, attractive idea that "in the transfer ruble the function of the measure of value acts as the measuring function (standard of price)" (p 40). However, upon closer examination this answer does not provide a picture of the essence of the problem, which, we believe, is not solved in the reviewed monograph.

The authors consistently show the main directions of an improvement in the CEMA countries' currency relationships and formulate the key problems on the agenda, drawing attention in this connection primarily to insuring the actual transferability of the transfer ruble on the basis of the development of the multilateral balancing of reciprocal commodity turnover and accounts, mutual convertibility of the CEMA countries' currencies and an improvement in exchange rates (see pp 56-75). The development prospects of the socialist currency-finance system are undoubtedly connected with this.

The work pays much attention to problems of international socialist credit. It thoroughly examines the essence, forms and functions of international credit in the CEMA country's cooperation, reveals the development prospects of international socialist credit and charts the paths of an improvement in the credit-granting mechanism. The authors reveal the objective basis of credit relationships in the socialist community. "The development of integration processes, the extension of production specialization and cooperation, the rational use of natural resources and manpower and the creation of optimum capacity in processing industry—such is the objective soil for the appearance of credit relationships among the CEMA countries," the book correctly emphasizes (p 77).

Being an aspect of international socialist production relations, credit relationships take shape under the influence of the objective economic laws inherent in socialism. The nature of credit relationships (and this is revealed in the monograph) is determined by the law of plan-based, proportional development. The plan-based methods of controlling international credit relationships makes it possible to take into consideration the countries' need for credit and the volume and direction thereof in the long term.

The authors reveal the entire gamut of credit relationships in the world soclating economy, examine their characteristic features and peculiarities (see pp 80-82) and show the role and place of international credit in the CDAA countries' cooperation. The monograph analyzes the bilateral and multilateral forms of the granting of credit and writes in detail about the activity of the International Bank for Economic Cooperation and the International Investment Bank (MIB). It notes, in particular, the increasing activity of the MIB, whose credit made it possible to undertake the efficient construction of such a very big object of integration cooperation as the "Soyus" gas pipeline (Orenburg--USSR Western Border) and many other industrial facilities which are playing an important part in the development both of individual CEMA countries and the socialist community as a whole. "By means of granting credit to the member-countries," the monograph emphasizes, "the bank is influencing the development of social production and reciprocal trade, which will ultimately lead to an upsurge in the economy and growth of the people's well-being of the CEMA countries" (p 103),

There is a wealth of factual material in Chapter IV which shows the CEMA countries' currency and credit relations with capitalist countries and reveals the groundlessness of bourgeois concepts of the socialist states' currency and credit relations. It should, however, be mentioned that in this chapter descriptiveness at times prevails over analysis, and the reader has a right to expect more profound generalizations of existing practice.

the monograph emphasizes that the further development of socialist economic integration presupposes the efficient functioning of the integral economic mechanism, including such an organic component thereof as currency-finance relations (see p 156). We cannot argue with this conclusion.

Summing up, it may be said that the monograph is successful, on the whole, and that its shortcomings are of an individual nature. The authors' contribution to the development of the problems dealt with seems certain and useful.

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UKRAINE PARTICIPANTS IN INTERNATIONAL ACCOUNTS SYSTEM

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 12, 1979 pp 87-89

(A. Bondarenko report: "Participation of the Ukrainian SSR in the System of the Soviet Union's International Accounts With the CEMA Countries")

[Text] Comprehensive cooperation is developing successfully among the socialist community countries. "Our relations are profound and diverse," L.1. Sreahnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, observed at the ceremonial meeting devoted to the 30th anniversary of the formation of the GDR, "and we are learning to cooperate better and better."

fogether with all the union republics, the Ukrainian SSR is making an appreciable contribution to the strengthening of the Soviet Union's close relations with the socialist countries. Developing dynamically within the country's unified national economic complex, Soviet Ukraine produces approximately one-fifth of the Soviet Union's industrial and agricultural output. In 1976 alone our republic participated in the installation of 470 industrial and other facilities in 40 countries, of which 320 were built in the socialist states. "Even from this fact it can be seen," V. V. Shcherbitskiy, member of the CPSU Central Committee Politburo and first secretary of the Ukrainain Communist Party Central Committee, emphasizes in the book "Sovetskaya Ukraina" (Soviet Ukraine), "what an impressive contribution the Ukrainian SSR is making to the development of the USSR's close economic and scientific-technical cooperation with the fraternal socialist countries."

An important place in the republic's international accounts with the socialist states is occupied by noncommercial payments connected with the upkeep of consulates of fraternal countries, the holding of international congresses and the organization of exhibitions, the expenses of tourists, those on business trips and students, cash transfer for supporting and assisting relatives, the payment of royalties and pensions and others. The extension and intensification of the socialist community countries' mutual cooperation and the republic's participation in the "joint construction of the most important national economic projects multiplying the economic

strength of the entire community" also entail an increase in the volume of the Ukraivian SSR's noncommercial accounts with the CEMA countries. Thus contract organizations from Hungary, the GDR, Poland and Czechoslovakia participated in the construction of a large section of the Orenburg-USSR Western Border gas pipeline, which runs through the territory of our republic. These organizations' foreign exchange accounts rose to a substantial sum and constituted many millions of rubles.

The dynamic development of the sphere of the Ukrainian SSR's noncommercial accounts with the CEMA countries shows that favorable currency-finance conditions have been created in the socialist community countries for an extension of scientific-technical and cultural cooperation and the growth of tourism.

Thus the noncommercial transaction accounts of individual citizens and organizations (that is, physical persons and legal entities) are executed in accordance with a special exchange rate for noncommercial payments, which insures the equivalence of currency exchange. The application of a non-commercial exchange rate reflecting the real purchasing power of the national currencies makes it possible to even out the differences in the levels and correlations of the domestic prices in the individual socialist countries for which the noncommercial accounts are being executed. Therefore, physical persons and legal entities do not incur material loss owing to the differences in the retail prices of consumer goods and service charges which exist in the socialist countries when they exchange one national currency for another and make payments in the corresponding currency.

At the same time a further improvement in noncommercial accounts among the socialist countries demands that great flexibility be imparted to the currency-accounting mechanism, which should reflect accurately and in good time changes in the movement of retail prices on domestic markets and the purchasing power of the national currencies. The Bulgarian economist N. V. Tsarevski believes that what is needed is a mechanism "which would enable us to review the exchange rates and coefficients for noncommercial payments here frequently in order to bring them fully into line with the currencies' real purchasing power."

In this connection the Comprehensive Program of Socialist Economic Integration stipulates that to insure equivalence in the noncommercial payment accounts the CEMA countries will periodically specify and, where necessary, alter the noncommercial exchange rates "in accordance with changes in prices and other conditions."

Extension of the mutual convertibility of the CEMA countries' national currencies and the convertibility of the transfer ruble into the national currencies is also of importance for the growth of the republic's noncommercial payments with the fraternal socialist countries.

It should be mentioned that the extension of the convertibility of the CEMA countries' national currencies is primarily connected with the further satisfaction of the domestic markets with diverse and high-quality goods and services. Work is being performed in this direction in our republic, for example, on a study of the assortment of industrial goods and foodstuffs, souvenirs and artistic products in increased demand among customers from the socialist countries. This will contribute in the future to the transition to the joint regulation of the assortment of consumer goods on the socialist states' domestic markets and to the more extensive mutual exchange of these goods. As the authors of the collective monograph "Valyutnyye i kreditnyye otnosheniya stran SEV" [The CEMA Countries' Currency and Credit Relations"] correctly emphasize, "the expansion of the mutual exchange of national currencies is influencing the domestic markets of the CEMA countries and leading to changes in the structure of consumer demand and an increase in effective demand in the countries with active tourism."

As far as the extension of the convertibility of the transfer ruble into the CEMA countries' national currencies for noncommercial payments is concerned, it would be possible to issue for this purpose traveler's checks in transfer rubles with a right of conversion (exchange) into any national currency of the socialist community countries. "The bank could issue checks in transfer rubles and other currencies," the International Bank for Economic Cooperation Charter envisages, "and conduct transactions with these checks." Such a measure would make it possible to improve planning and insure fuller equivalence in noncommercial payment accounts and would also contribute to the simplification and standardization of the accounting transactions themselves.

Together with the Ukrainian SSR's active participation in the development of the Soviet Union's noncommercial accounts with the CEMA countries it has an increasing role in the USSR's commercial accounts with the fraternal socialist countries. Currently over 1,000 of the republic's enterprises export their products to 109 countries, among which the socialist community countries have pride of place.

The decentralized form of foreign trade transaction accounts has become increasingly prevalent recently. In this case the accounts for goods dispatched for export are executed by the export commodity supplier-enterprises writing up the accounts for the foreign customers directly or via foreign trade organization offices. In the city of Kiev, for example, nine export commodity supplier-enterprises writes up accounts for customers in the socialist countries.

As practice shows, this procedure of accounts speeds up receipts of currency earnings by 7-10 days, 9 contributes to an improvement in bank servicing of foreign trade turnover and corresponds to the demand of the Comprehensive Program of Socialist Economic Integration "to increase the volume of exports and enhance the quality of export commodities and create currency and commodity reserves."

Considering these advantages of the decentralized form of accounts, it would evidently be advisable in our republic to broaden the circle of enterprises directly writing up accounts for customers in the CEMA countries. Particular importance is attached to the use of the advantages of the decentralized form of accounts in connection with implementation of the long-term specific cooperation programs adopted at the 32d CEMA Session. "Fulfillment of the long-term specific programs," Yu. K. Konstantinov observes, "will require considerable financial and currency resources, which should be mobilized not only with the help of the CEMA countries' national finance-credit systems but also their international currency-finance system."

Consequently, the further extension of the fraternal countries' cooperation along the integration path is posing new tasks in the sphere of an improvement in the system of the CEMA countries' international accounts.

The Ukrainian SSR's participation in international accounts with the CEMA countries shows that the further development of the republic's currency-accounting relations with the fraternal socialist countries is connected with a strongthening of the planning of these relations and an improvement in the currency-accounting mechanism itself. After all, various departments and organizations are involved in the sphere of international accounts today servicing the socialist community countries' foreign economic, scientific, cultural and other international relations, and the accounts themselves are not only of economic but also frequently of high political significance. For this reason "...the approach to them and the management of them," L. I. Brezhnev, general secretary of the CPSU Central Committee, emphasized at the 25th CPSU Congress, "must also be comprehensive and tie in a single bundle the efforts of all departments and our political and economic interests. It is precisely thus that the party Central Committee puts this important question." 12

FOOTNOTES

- 1. San V. V. Shcherbitakiy, "Soviet Ukraine," Moscow, Politizdat, 1977, p 44.
- J. 1bid., p 108.
- V. Shcherbitskiy, "Izbrannyye rechi i stat'i" [Selected Speeches and Articles], Moscow, Politizdat, 1978, p 553.
- 4. N. V. Tsarevski, "Valyutno-finansovyye otnosheniya v usloviyakh integratsii" [Currency-Finance Relations Under Integration Conditions], Moscow, Ekonomika, 1978, p 65.
- "Kimpleksnaya programma dal'neyshego uglubleniya i sovershenstvovaniya sotrudnichestva i razvitiya sotsialisticheskoy ekonomicheskoy integratsii" [Comprehensive Program of the Further Intensification and Improvement of the Cooperation and Development of Socialist Economic Integration], Moscow, Politizdat, 1972, p 58.

- M. S. Lyubskiy, L. Kh. Sulyayeva, V. M. Shastitko, "Valyutnyye i kreditnyye otnosheniya stran SEV" [The CEMA Countries' Currency and Credit Relations], Noscov, Nauka, 1978, p 65.
- 7. See Ustav Meshdunarodnogo banka ekonomicheskogo sotrudnichestva. Mnogostoronneya ekonomicheskoya sotrudnichestvo sotsialisticheskikh gosudarstv" [Charter of the International Bank for Economic Cooperation. The Soicalist States' Multilateral Economic Cooperation], Moscow, Yuridicheskaya literatura, 1972, p 247.
- 8. V. V. Shcherbitskiy, "Soviet Ukraine," p 108.
- 9. See N. S. Litinskaya, "Decentralized Accounts in Foreign Trade," DEN'GI I KREDIT No 11, 1976.
- 10. "Comprehensive Program of the Purther Intensification and Improvement of the Cooperation and Development of Socialist Economic Integration," p 51.
- 11. Yu. K. Konstantinov, "The CEMA Countries' Currency System," MEZHDUNAROD-NAYA ZHIZN' No 6, 1978.
- 12. L. I. Brezhnev, "Leninskim kursom" [Following Lenin's Policy], Speeches and Articles, vol 5, Moscow, Politizdat, 1976, p 514.

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TRADE WITH INDUSTRIALIZED COUNTRIES

SYMPOSIUM OF U.S., SOVIET ECONOMISTS IN JUNE 1979 REVIEWED

Moscow VOPROSY EKONOMIKI in Russian No 1, Jan 80 pp 156-159

[A. Dynkin report: "Fifth Soviet-American Economists Symposium"]

[Text] The Fifth Soviet-American Economists Symposium on the theme "Structural Shifts in the Economies of the USSR and United States" was held 11-13 June 1979 in Mount Kisco (near New York) in accordance with the program of scientific cooperation between the USSR Academy of Sciences and the American Council of Learned Societies. The American delegation was headed by Prof L. Reynolds (Yale), vice president of the American Economic Association. The Soviet delegation to the symposium was led by Academician T. Khachaturov, chairman of the Association of Soviet Economic Scientific Establishments.

Soviet scientists delivered eight and the Americans seven reports at the symposium.

Academician T. Khachaturov's report "Structural Changes in the USSR Economy" described the main structural shifts in the economy in the years of Soviet power. Changes in the structure of the population and its educational and cultural level, the rates and proportions of the growth of the USSR national economy, the structure of national income and shifts in industrial production and agriculture under the impact of scientific-technical progress were analyzed and questions of the large-scale measures for environmental protection and the location of the production forces were dealt with.

A group of reports covered problems of the composition of the population and the manpower structure.

Prof R Easterlin (University of Pennsylvania) examined the socioeconomic consequences of the long-term changes in the age composition of the U.S. population. Closer links between the economy and the social sphere have emerged since the war, he believes. Prior to World War II, the correlation between supply and demand in the labor market in the United States was regulated mainly by immigration, but the overall demand for manpower has been changing slightly since the war. However, fluctuations in the influx of manpower, including the ratios of the age composition of those employed,

are taking shape irrespective of overall demand as a reaction to the former level of the birthrate. The changes in the age composition of the U.S. population in the direction of an increase in the proportion of young people began to exacerbate the problem of unemployment in combination with rising inflation as of 1960. These circumstances have been reflected in young males' income. The reduction in young males' relative income is leading to a deterioration in the social climate: frequent divorces, an increase in suicides, the growth of crime, marriage at a later age and a fall in the According to R. Easterlin's calculations, there will be an increase in young males' relative income and, correspondingly, an increase in the birthrate, an easing of the unemployment problem and so forth in the 1980's. These forecasts are based on the relative fall in the birthrate in the 1960's, which, the speaker believes, will produce positive results in the future. R. Easterlin draws the following concluction: American society is a product of a "self-producing mechansim" which produces recurrent cycles both in birthrate and in age composition and, consequently, in the broad spectrum of socioeconomic conditions.

Ye. Kapustin (USSR Academy of Sciences Institute of Economics), corresponding member of the USSR Academy of Sciences, who pointed to the author of the report's overestimation of the possibility of self-regulation of the capitalist economy and the detachment of phenomena of the social sphere from concrete economic processes, spoke in the debate on this report. Academician T. Khachaturov noted the shortcomings of the macroeconomic approach to an analysis of social phenomena, which conceals racial, national and regional peculiarities.

Changes in the structure of the USSR's labor resources were analyzed in the report of Ye. Kapustin, corresponding member of the USSR Academy of Sciences. These changes are determined by the conditions of mature socialism with its growing possibilities of the increasingly full satisfaction of the requirements of the members of society and their comprehensive development and also by the impact of the scientific-technical revolution and the transition to the more intensive type of expanded reproduction. The speaker described the broad range of tasks being accomplished by the socialist society to insure the efficient use of labor resources.

Prof W. Galenson (Cornell) devoted his report to the long-term changes in the structure of U.S. labor resources. The proportion of manpower in the American population over the age of 16 has increased: this proportion constituted 59.4 percent in 1948 and 63.7 percent in 1978. This has occurred primarily thanks to an increase in female manpower: from 1900 through 1970 the proportion of working women in the female population almost doubled and reached 40 percent, whereas the proportion of employed males remained virtually the same. Among the factors contributing to the enlistment of female labor resources W. Galenson mentions the reduction in the time needed for housework (in connection with the extensive distribution of various household appliances) and the increased demand for manpower in the nonproduction sphere (primarily office work). Female employment increased particularly during World War II, and this trend is continuing currently at an ever

increasing pale. It increased thus in the period 1900-1970: by a factor of 1.75 for the 20-24 age group; 2.66 for the 25-44 age group; and 3.42 for the 45-64 age group. Illegal manpower--immigrants from the Latin American countries--remains a special problem. Their numbers are estimated at 5-10 million and they are employed in unskilled labor, but they are not included in the official statistice, and it is not believed possible to make any analysis of their income and distribution per employment sphere.

In the debate on the report Prof M. Volkov raised the question of demographic policy in the United States. W. Galenson replied that federal policy only has a slight influence on demography in the United States. He cited reduced taxes for the parents of large families as one of its indirect levers.

On the basis of a great deal of factual material A. Arakelyan, academician of the Armenian SSR, described in his report the processes of the development of the production of modern equipment in the USSR and its place in the sectorial structure of the economy. He mentioned Soviet industry's leading position in a number of types of machine-building product. The speaker also dwelt on certain problems of scientific-technical progress.

The report of E. Denison (U.S. Commerce Department) was devoted to an analysis of the long-term factors of economic growth in the period 1929-1976. Great unevenness of development has been observed since the war against 1 ackground of higher national income growth rates. The highest growth rates were in the periods 1948-1953 (4.64 percent) and 1964-1969 (4.45 percent). while the growth rate in the period 1973-1976 was 0.58 percent. There has been a change in the correlation of the extensive and intensive growth factors. In the period 1948-1953 their contribution to the growth of national income constituted 3.15 and 1.49 percent respectively, and 1.78 percent and 1.13 percent in 1969-1973. E. Denison particularly emphasized the role of the factors of the formation of manpower (0.5 percent in the overall rate of increase in 1969-1973) and, in particular, of scientific-technical progress (1.22 percent) for the economic development of the United States. A number of factors, including the composition of the manpower, and also the exacerbation of ecological and social problems caused a reduction in the rate of growth of national income (by 1.39 percent all told). There was a particular intensification of the negative influence of these factors in the 1973-1976 crisis period, in part, under the influence of the currency-Eanance situations.

Candidate of Economics L. Yevenko (USSR Academy of Sciences Institute of the United States and Canada) dwelt in his report on questions of the formation and implementation of large-scale specific programs in the USSR economy.

The report of Prof D. Kendrick (Geroge Washington University) analyzed the long-term (since 1800) trends of economic growth in the United States. He noted the appreciable reduction in the average annual rate of increase in the gross product (CNP) from approximately 4 percent in the period 1800-1919

to 3 percent in the period 1919-1948. In the next two decades (up to 1966) the average annual rate again rose to 3.9 percent. In the period 1966-1978 its average value constituted 3.1 percent, that is, had returned to the 1919-1948 level. But the per capita increase in GNP in the period 1919-1978 was, on the whole, higher than in the 19th and at the start of the 20th conturies. In the 19th century the growth of production was conditioned by an almost proportional increase in the expenditure of production resources (live labor and that embodied in capital.). Thus in the period 1800-1855 with an average annual rate of increase in NGP of 4.2 percent expenditure of resources increased 3.9 percent. Consequently, less than 10 percent of the total increase in output was obtained thanks to increased production efficiency. In contrast to this, for example, in the period 1948-1966 with an annual average increase in GNP of 3.9 percent the expenditure of production resources increased only 1 percent annually. Almost threefourths of the total increase in output in this period was obtained thanks to increased production efficiency. The increase in efficiency was particularly appreciable in such sectors as agriculture, communications and electricity and gas supplies. The least growth thanks to increased efficiency was in contract construction.

An increase in the efficiency of the use of resources has been reflected, in particular, in a reduction in the proportion of capital investments in the U.S. GNP (from 20.7 percent in the period 1869-1878 to 13.7 percent in 1978, on the basis of constant 1929 prices). It should be sentioned, however, that in both cases the speaker was only dealing with private capital investments. But whereas in the 19th century federal capital investments were extremely negligble, it is clearly essential to take them into consideration under modern conditions. Thus when federal capital investments are taken into account, the overall proportion of capital investments in the US. GNP in 1978 equaled approximately 17 percent. Nevertheless, even with this correction the trend toward a reduction in the norm of accumulation is maintained. A principal reason for this is the increased efficiency of the instruments of production in which the capital investments are embodied. The economy's increased efficiency has also been reflected in the very structure of industrial capital investments (excluding housing construction). in 1929 the technological structure of these capital investments was expressed by the correlation of 47.5 percent (buildings and installations) to 52.5 percent (machinery and equipment), whereas in 1978, that is, half a century later, it was 34 and 66 percent respectively. D. Kendrick obtains a different picture upon an expanded interpretation of capital (fixed production capital), that is, with the inclusion of "investments in manpower" (looking after its health and fitness for work, general educational and vocational-skills training, mobility and so forth). With this approach the proportion of capital investments in the U.S. GNP proves to have increased from 43.1 percent in 1929 to 48.5 percent in 1973. In the composition of the capital investments expenditure on the material elements of the fixed production capital (buildings, instllations and machinery and equipment) fell in these same years, according to the speaker's calculations, from 71.5 to 56.6 percent, while the proportion of "investments in manpower" increased accordingly from 28.5 percent to 43.4 percent.

The report of candidates of economics E. Vasilevskiy and A. Dynkin (USSR Academy of Sciences Institute of World Economics and International Relations) examined the structural changes in USSR industry. It analyzed the leading positions occupied by industry in the country's national economy and also the principal factors determining the changes in the sectorial structure of industrial production in the USSR (the sectoeconomic conditions of production, scientific-technical progress and others). Particular attention was paid to a most important distinguishing feature of the postwar structural reorganization of Soviet industry—the increasing preferential development of the key sectors of modern industry (machine building and metal working, electric power engineering, chemical and petrochemical industry and construction materials industry).

Prof S. Liebergott (Wesley University) [as published] delivered a report on the subject "Shifts in the Structure of Consumer Expenditure in the Period 1900-1977." There was an increase in the proportion of expenditure connected with running the home as a whole from 24 percent in 1900 to 32.2 percent in 1977. This increase was determined primarily by increased expenditure on one's own residence and the acquisition of furniture and other household equipment and implements. As far as expenditure on keeping servants is concerned, its proportion fell from 7.5 percent in 1900 to 0.5 percent in 1977. Another growing item of expenditure is outlays on medical services (8.9 percent in 1977, 3.3 percent in 1900). The report noted that the cost of hospitalization has risen sharply-from \$1.25 a day in 1900 to more than \$200 in 1977. The speaker also mentioned here the sharp increase in the level of technical provision of the modern hospital with numerous types of equipment (chiefly costly equipment) and also the appreciably increased quality of service and the care of patients. Expenditure on transportation has increased. The proportion of expenditure on private motor transport increased from 0.1 percent in 1900 to 12.9 percent in 1977, whereas expenditure on remuneration for the services of public transport fell trom 4.8 percent in 1900 to 0.008 percent in 1977. Proportional expenditure on clothing and footwear has remained virtually unchanged at 7.8 percent. Expenditure on food has fallen sharply: from 39.1 percent in 1900 to 19.2 percent in 1977. The speaker sees the main reason for this fall in the growth of agricultural labor productivity, thanks to which it has been posaible to secure a relative reduction in the costs of agricultural produce. The trend toward a reduction in proportional expenditure on alcoholic beverages is noteworthy: from 4.4 percent in 1900 to 2.6 percent in 1977. A certain increase can be observed in recreational expenditure (this item also includes expenditure on radio and television). Expenditure connected with religious worship has fallen primarily as a result of the expansion of the scale of charitable activity. The increased expenditure on energy has been very considerable (it has doubled approximately). Events in the last 5-7 years -- a period of the exacerbation of the energy situation in the United States -- have had a particular influence on this trend.

The report of Candidate of Economics L. Nikiforov (USSR Academy of Sciences Institute of Economics) examined questions of the changes in the nature of the social division of labor between city and countryside in the USSR under the influence of the extension of the industrialization of agricultural production and the formation of a national economic agrarian-industrial complex. The report showed the inseparability of the solution of production and socioeconomic problems of the development of the rural sector and agriculture under the conditions of the socialist economy and analyzed the main directions of surmounting the differences between city and countryside.

The report of Prof E. Budd (University of Pennsylvania) analyzed the distribution of personal income among different categories of families selected by the amount of this income. The composition of the families' overall income included the earnings of members of the family, income from property, corporate dividends and individual pensions. The report's main attention was concentrated on the methodology of the selection of data for comparing incomes for groups of families and sources at different periods of time.

The report delivered at the symposium by Candidate of Economics L. Nochevkina (USSE Arademy of Sciences Institute of World Economics and International Relations) examined factors determining the correlation of the two subdivisions of notial production under the conditions of intensification and the Changes in their influence at different stages of the development of the Seviet economy. Among the main technical-economic factors shaping the grawth rate of production of the means of production and consumer goods the spaker includes the following: the norm of productive accumulation, proportion of expenditure on goods and materials in the aggregate social product and the capital-output ratio. The conclusion drawn is that at different stages of the development of socialist society the active shaping of the proportion between production of the means of production and consumer goods is effected with regard for the concrete-historical peculiarities of the level of the production forces which has been reached and available physical potential.

The final group of reports dealt with questions of structural shifts in accumulation and national wealth.

The report of Doctor of Economics V. Bogachev (USSR Academy of Sciences Institute of Economics) "The USSR's National Wealth and its Structure, Dynamics and Place in the Balance Sheet of the National Economy" revealed the Marxist conception of social wealth as the aggregate of property ("tengible") assets, both artifically reproduced and natural (the volume of the latter influences production conditions). The speaker also put forward arguments against the inclusion in the composition of social wealth of elements of a personal and institutional nature such as "human capital" and so forth. The further upsurge of well-being requires the intensive accumulation of nonproduction capital. The changes in the proportions of national economic accumulation to the benefit of the nonproduction sphere naturally lower the rate of growth possible given the use of the maximum proportion of national economic accumulations for production purposes.

The report of Prof R. [Raggles] (Yale) was devoted to the dynamics of the value of the goods in family (home) ownership. Like a number of other reports delivered by the American side, the report contained highly voluminous, well-handled numerical material presented in visual form, but it had insufficient conclusions and generalizations. In constant prices the value of household goods increased by a factor of 2.7 in the period 1947-1977, according to R. [Raggle's] figures. According to the diagrams, approximately one-third of the increase in the monetary valuation of the property of households which occurred in the period 1947-1977 was due to a rise in prices, and two-thirds to real accumulation.

As a whole, as the heads of the delegations observed at the final session, the symposium was a success and contributed to a study of major problems of the structural shifts in the economies of both countries, mutual familiarization with the work done in these fields and an improvement in the contacts between Soviet and American economists. The theme of the next Soviet-American symposium will be "The State and Price Formation in the USSR and the United States."

After the conclusion of the symposium, the Soviet scientists had numerous meetings with representatives of the administration and business and scientific circles of Washington, Atlanta, Chicago and New York.

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TRADE WITH INDUSTRIALIZED COUNTRIES

TRADE WITH WESTERN EUROPE EXPANDING

Soviet-FRG Trade Ties

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 6 Mar 80 p 3

[V. Vinogradov report: "Business Circles' Opinion"]

[Text] Despite the pressure from Washington, which aspires to impose on the FRG a policy of winding down its trade-economic relations with the Soviet Union and other socialist countries, representatives of West German business circles resolutely support the further development of these relations.

Speaking on television, H. J. Abs, prominent West German financier and honorary chairman of Deutsche Bank, emphasized the need for strict observance of trade contracts and agreements concluded between the FRG and the USSR. The two countries' mutually beneficial business cooperation, he said, is constructed on a long-term work basis. "It is impossible," Abs emphasized, "to suddenly halt trade with the Soviet Union."

There is an agreement between the FRG and the USSR on economic cooperation right up to the year 2003, OST-WEST KOMMERZ, the business circles' journal writes. "Should we really sacrifice stable sales markets in favor of a policy of confrontation whose consequences are difficult to predict?" the journal asks.

The position of sober-minded representatives of the business world is encountering support in the country's political circles. In a German Press Agency interview, G.-U. Junghans, chairman of the SPD Bundestag Faction Working Group on Boonomic Policy, declared that the severance of current Soviet-West German trade-industrial agreements would cause considerable damage to the FRG's international economic positions.

Soviet-Italian Trade

Moscow PRAVDA in Russian 22 Feb 80 p 4

[G. Zafesov report: "Good Prerequisites"]

[Text] Turin, February--The wide and green Soviet Union Avenue swiftly bore us from the center of Turin onto the superhighway. A few minutes later we were entering the gate of the KOMAU Firm. The machine tools and transfer machinery which it produces are well known in our country, particularly at the Zavod imeni Lenin and the enterprises of Gor'kiy, Minsk and Ul'yanovsk. The firm was a supplier during construction of the Kama Truck Plant. A little more than a years ago, when I first visited KOMAU, work was in full swing on the creation of equipment for the Cheboksary Tractor Plant.

"A year is not a very long time," Vincenzio Buffa, the firm's president, says, "but we have already completed the production of an automatic production line for Cheboksary. It is currently at the acceptance stage and will soon be shipped out. Our specialists are already at work in Cheboksary. We hope that the fulfillment of this order too will be of mutual satisfaction. We believe that there are good prerequisites for the further development of our cooperation..."

Trade-economic relations between the USSR and Italy are developing successfully. From 1972 through 1978 commodity exchange between the two countries increased fourfold. A new agreement on economic cooperation between the USSR and Italy for 1980-1985 and a protocol to the long-term program of the extension of economic and industrial cooperation between the two countries, which will undoubtedly serve as an important impetus for the future, have been signed.

Piedmont District, whose administrative center is Turin, is one of the most industrially developed in Italy. It has extensive foreign economic relations, with our country also. Piedmont occupies a premier place among Italian districts in trade with the USSR. Soviet foreign trade organizations have good business relations with the district's firms, in particular, FIAT [KOMAU], Breds-Termomeccanica, Olivetti, FATA, Giustina, Officine Rino Berardi and others.

These are the "pillars" of Piedmont industry, so to speak. And more than 1,000 small and medium-sized firms participate as subsidiary suppliers in the fulfillment of contracts concluded with these major companies. There are, however, many medium-sized enterprises which have recently been successfully setting up ties directly with our foreign trade organizations. The disbeing manifested increasingly distinctly. It is gratifying: after all, it is precisely medium-sized and small firms which occupy a considerable place in Italian industry and trade.

...We called in at Turin's "Giargia" Enterprise, which produces assembly equipment, test benches and stamps, at a moment when Soviet specialists were clarifying with the "Giargia" director final details prior to the shipment of test benches and assembly patterns to the USSR. The questions were decided quickly, and Director Gualtiero Domenichini told us how business contacts were developing with the Soviet side.

"Our cooperation," he said, "began almost 15 years ago. FIAT had concluded the celebrated 'deal of the century' for the construction of the Volga Auto Plant, and we became a part of it as a subcontractor. In 1970 we switched to direct contacts with Soviet foreign trade organizations. They are more efficient and flexible, I believe. Close contacts with Soviet engineers and technicians have enabled us to solve a number of technical problems jointly. Direct contacts are also preferable in a creative and economic respect, and we are trying to develop and expand them. Currently, for example, our representatives are working in the Uzbek city of Kokand, whither we have sent stamps, assembly equipment and test benches. As you can see, the sphere of our cooperation is broadening...."

As we were walking through the shops of one of "Giargia" plants, I drew attention to Soviet machine tools.

"Yes, we not only see, we also buy," G. Domenichini said. "Just last year we acquired Soviet borers and milling machines and presses. Some of them have already been installed, we are awaiting others from the USSR."

The director expressed great interest in the development of the economic relations of medium-scale Italian firms, of which "Giargia" is one, with out country. Highly expressive figures were cited in the conversation. For 5 years now more than 50 percent of this plant's output has been shipped to the Soviet Union. If we then speak of all the firm's enterprises, and there are five of them, then, as a whole, they export 20 percent of their products to the USSR. The USSR is the "Giargia" Firm's main foreign trade partner, 80 percent of its exports coming to our country.

And this is what Frigostamp President Giovanni Piero Raftaccho told us:

"Unfortunately, I cannot cite figures since our enterprise cooperates with your country through FIAT--we are its subcontractor. But I can confidently say that the USSR is one of our biggest customers. We have clients in all countries of Europe, but we are naturally primarily interested in those which guarantee us orders. From this viewpoint the Soviet Union and other socialist countries, which do not experience economic depressions and which have a large-capacity market, are very desirable partners."

We talked in Turin's Industrial Union, which unites business people, with Guiseppe Facchetti, executive of the Foreign Relations Department.

"The trade-economic relations with the USSR of Piedmont District as a whole and Turin in particular are in good shape," he said. "We receive from the USSR petroleum coke, diesel fuel, timber, cotton, chemical products and various equipment. Soviet tractors can be seen in Piedmont's fields. Piedmont accounts for about 5 percent of the USSR's total commodity turnover with Italy. Mainly, of course, thanks to large-scale contracts with the major firms, but the medium-sized and small enterprises' share thereof is growing. They also have a growing interest in expanding cooperation. But Aldo Ravaioli could tell you more about this.

Aldo Ravaioli, chairman of Turin's Small Manufacturers Committee, readily responded to the request:

"Our committee unites 1,500 small manufacturers. We do not have the industrial and economic muscle of the major firms, it is true, but in the technology sphere, and do not think this is being immodest, we are more often than not not in the least inferior to them. After all, FIAT made its 'contract of the century' for the construction of the Volga Auto Plant with the help of more than 100 small firms. We small manufacturers are doing everything possible to set up relations with your country, we take part in exhibitions and we do not miss a chance to familiarize ourselves with your products."

"Piedmont and Turin are connected with the USSR not only by close business relations but also by cultural and spiritual ties," the communist mayor of Turin, Diego Novelli, told us. "Immediately after the war, one of Turin's biggest avenues was named Soviet Union, and the friendship of the brothercities of Turin and Volgograd is now 30 years old. In commemoration of this freindship we recently decided to name one of Turin's squares Volgograd...."

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TRADE WITH INDUSTRIALIZED COUNTRIES

BRIEFS

USSR EXHIBITIONS—The "Telekinotekhnika—80" Exhibition, at which visitors will be able to familiarize themselves with the latest models of profession—al and amateur motion—picture and photographic equipment, will open in Moscow on 27 February. The "Inrybprom—80" International Exhibition will be held in Leningrad 15-25 August, and the "Zdravookhraneniye—80" International Exhibition will open in Moscow on 26 August. It is planned to hold 14 international specialized exhibitions in 1980. Their subject matter will include a broad range of economic problems such as fodder production, ship building, construction and maintenance of highways, production of cryogenic equipment, electrical engineering, geological prospecting and foundation structures. The practice of holding exhibitions on the initiative of individual firms of capitalist countries will be developed. The total sum of commercial deals concluded during the 230 exhibitions held in our country in 1979 with the participation of foreign firms was in excess of R1.2 billion [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 9, 1980 p 20] 8850

"SUDOIMPORT" DEALS--The new cargo motorship "Akademik Mstislav Keldysh," which was built in the Finnish Hollming Shipyard to an order of the All-Union "Sudoimport" Association, has been launched. This is the leader of the "river-sea" class of the series designed for use in Siberian rivers. All 10 ships of the series will be handed over to the Soviet client by the end of 1981. The Finnish shipyard has now built more than 200 ships for the USSR. Four specialized grain loaders, each capable of loading and unloading 500 tons of grain per hour, will be built for Soviet ports in accordance with a contract between "Sudoimport" and the Korneuburg Shipyard (Austria). The Korneuburg Shipyard has built 101 ships for the USSR. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 3, Jan 80 p 20] 8850

"EKSPORTLES" CONTRACTS--The All-Union "Eksportles" Association has signed big contracts in Moscow with the Finnish Konverta and Finnpap joint-stock companies. It is planned that in 1980 the USSR will receive to the tune of almost R70 million various types of packaging products manufactured by the factories of Konverta and 300,000 tons of industrial, printing and packaging paper produced by Finnpap enterprises. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 3, Jan 80 p 20] 8850

END

SELECTIVE LIST OF JPRS SERIAL REPORTS

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USSR REPORT: Economic Affairs

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USSR REPORT: Military Affairs

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USSR REPORT: Consumer Goods and Domestic Trade

USSR REPORT: Human Resources
USSR REPORT: Transportation

USSR REPORT: Translations from KOMMUNIST*

USSR REPORT: PROBLEMS OF THE FAR EAST*

USSR REPORT: SOCIOLOGICAL STUDIES*

USSR REPORT: USA: ECONOMICS, POLITICS, IDEOLOGY*

USSR SERIAL REPORTS (SCIENTIFIC AND TECHNICAL)

USSR REPORT: Life Sciences: Biomedical and Behavioral Sciences

USSR REPORT: Life Sciences: Effects of Nonionizing Electromagnetic Radiation

USSR REPORT: Life Sciences: Agrotechnology and Food Resources

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